

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 401 – HB 457

April 4, 2017

SUMMARY OF ORIGINAL BILL: Increases, from \$200 to \$400, the required portion of Basic Education Program (BEP) funding to be allocated to every K-12 teacher for supplies.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$100,400

Increase Local Expenditures – \$12,887,400*

Other Fiscal Impact – To the extent local education agencies repurpose existing local BEP funds from other currently funded areas for the purpose of making the required additional payment to teachers, the impact to local government would be considered a permissive shift of use for recurring BEP funds up to \$12,887,400.

SUMMARY OF AMENDMENT (006793): Deletes all language after the enacting clause. Requires all BEP funds set aside for classroom supplies to be allocated directly to teachers.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- No change in the Basic Education Program (BEP) funding formula.
- Pursuant to Tenn. Code Ann. § 49-3-359, \$200 of BEP state and local funds are set aside for each K-12 teacher to spend on classroom supplies.
- Currently, \$100 of this funding goes to teachers directly, and the remaining \$100 goes into a pool of money within the school for teachers to spend on supplies as approved by a committee of teachers.

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- The legislation re-directs the collective funding, which otherwise would have been spent on supplies in any case under current law, directly to teachers to spend on supplies; therefore, the fiscal impact of this legislation is estimated to be not significant on state and local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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